

MASS APPRAISAL REPORT

OVERALL SUMMARY

2004 Condominium Revalue

PHYSICAL INSPECTION AREAS

The West Crew physically inspected and revalued approximately **13,002** condominium living units in 5 geographic areas for the **2004** assessment year. Geographic areas that include specific neighborhoods located in and around [the I-90 Corridor, Northeast King County, Northwest King County, Queen Anne-Magnolia and South King County](#) were inspected. A more detailed area description is provided in the Executive Summary Report for each of the 5 physically inspected areas.

ANNUAL UPDATE AREAS

The West Crew statistically updated approximately **52,419** condominium living units in 8 geographic areas for the **2004** assessment year. These 8 areas include all neighborhoods in King County not among the physically inspected areas. A more detailed area description is provided in the Executive Summary Report for each of the statistically updated areas.

VALUATION DISCUSSION

Condominium sales recorded in King County during the 24 month period ranging from [January 1st, 2002 to December 31st, 2003](#) were analyzed and assessed values were adjusted where it was deemed appropriate. Both regression analysis and characteristics-based adjustments were used to develop valuation models for each of the **8** areas. In the physically inspected areas, an appraiser reviewed the model-generated values and made the final value selection for all parcels in the area. Annually updated areas were valued based on model-generated values and adjusted as deemed appropriate by an appraiser.

To evaluate the results of the **2004** value selections, a ratio study was conducted using condominium sales recorded in King County during the two-year period ranging from [January 1st, 2002 to December 31st, 2003](#). The ratio studies, which calculated assessment levels and measured uniformity, are presented in the “Ratios Before” and “Ratios After” sections found later in this summary report. In general, before ratios show most areas had relatively low assessment levels and high coefficient of variation (COV). High COV indicates less uniformity in assessments. The after revalue ratios indicate assessment levels are closer to 100% of market value and COVs are lower for all areas. All areas now meet IAAO standards of assessment level and uniformity. Therefore, we recommend the proposed **2004** condominium assessed values be posted to the assessment rolls.

SUMMARY ANALYSIS

CHANGE IN ASSESSED VALUE

PHYSICAL INSPECTION

| Area Name | 2003 Total AV | 2004 Total AV | % Change |
|-----------------------|------------------------|------------------------|-----------------|
| I-90 Corridor | \$678,548,300 | \$682,421,000 | 0.57% |
| Northeast King County | \$583,964,000 | \$583,844,000 | -0.02% |
| Northwest King County | \$336,151,200 | \$340,749,500 | 1.37% |
| Queen Anne-Magnolia | \$298,621,950 | \$298,860,950 | 0.08% |
| South King County | \$295,460,480 | \$299,060,000 | 0.57% |
| *Total | \$2,192,745,930 | \$2,204,935,450 | 0.56% |

ANNUAL UPDATE

| Area Name | 2003 Total AV | 2004 Total AV | % Change |
|-----------------------|-------------------------|-------------------------|-----------------|
| Capitol hill | \$1,333,391,300 | \$1,360,944,800 | 2.07% |
| Downtown Seattle | \$1,186,198,170 | \$1,276,671,000 | 7.63% |
| I-90 Corridor | \$1,967,504,756 | \$1,914,529,000 | -2.69% |
| Northeast King County | \$2,103,514,500 | \$2,110,275,200 | 0.32% |
| Northwest King County | \$1,116,848,380 | \$1,145,922,000 | 2.60% |
| Queen Anne-Magnolia | \$886,493,427 | \$944,919,000 | 6.59% |
| South King County | \$1,556,369,210 | \$1,562,724,270 | 0.41% |
| South Seattle Area | \$761,076,921 | \$771,731,821 | 1.40% |
| Total | \$10,911,396,664 | \$11,087,717,091 | 1.62% |

| | | | |
|---------------------|-------------------------|-------------------------|--------------|
| County Total | \$13,104,142,594 | \$13,259,023,541 | 1.18% |
|---------------------|-------------------------|-------------------------|--------------|

LAND –

Commercial appraisers assigned to geographic neighborhoods determine condominium land values.

RATIO DATA

CHANGE IN ASSESSMENT LEVELS AND UNIFORMITY

Condominium Ratios Before (2003 Assessments)

| AREA | # | # | MEAN | MEAN | MEDIA | MEA | WTD MEAN | | | |
|----------------------------|----------------|--------------|-------------|-------------|--------------|--------------|-----------------|------------|------------|------------|
| DESCRIPTION | PARCELS | SALES | SP | AV | N | N | RATIO | COD | COV | PRD |
| DESCRIPTION | PARCELS | SALES | SP | AV | RATIO | RATIO | RATIO | COD | COV | PRD |
| PHYSICAL INSPECTION | | | | | | | | | | |
| I-90 Corridor | 3,695 | 979 | \$197,600 | \$190,700 | 97.2% | 96.9% | 96.5% | 4.44% | 5.82% | 1.004 |
| Northeast King County | 3,611 | 829 | \$177,200 | \$170,700 | 96.7% | 96.8% | 96.3% | 5.47% | 7.24% | 1.005 |
| Northwest King County | 2,037 | 453 | \$183,500 | \$175,800 | 96.8% | 95.9% | 95.8% | 6.92% | 9.82% | 1.001 |
| Queen Anne-Magnolia | 1,124 | 225 | \$287,100 | \$280,100 | 96.9% | 97.7% | 97.6% | 7.71% | 10.14% | 1.002 |
| South King County | 2,535 | 544 | \$137,600 | \$132,200 | 96.7% | 96.2% | 96.1% | 6.16% | 8.62% | 1.001 |
| *Total | 13,002 | | | | | | | | | |
| ANNUAL UPDATE | | | | | | | | | | |
| Capitol hill | 4,920 | 1,032 | \$251,100 | \$242,800 | 96.8% | 97.2% | 96.7% | 7.57% | 9.55% | 1.005 |
| Downtown Seattle | 3,525 | 729 | \$316,200 | \$290,300 | 92.4% | 92.7% | 91.8% | 7.56% | 9.40% | 1.010 |
| I-90 Corridor | 9,765 | 2,273 | \$219,400 | \$211,500 | 96.4% | 96.4% | 96.4% | 6.53% | 8.76% | 1.000 |
| Northeast King County | 9,938 | 2,404 | \$219,100 | \$211,000 | 97.4% | 97.2% | 96.3% | 5.55% | 7.72% | 1.009 |
| Northwest King County | 5,706 | 1,150 | \$209,500 | \$202,000 | 96.8% | 96.8% | 96.4% | 5.71% | 7.30% | 1.004 |
| Queen Anne-Magnolia | 3,636 | 811 | \$240,000 | \$230,500 | 96.9% | 96.4% | 96.0% | 7.32% | 9.25% | 1.004 |
| South King County | 11,721 | 2,759 | \$148,500 | \$144,200 | 97.1% | 97.4% | 97.1% | 5.77% | 7.73% | 1.003 |
| South Seattle Area | 3,208 | 719 | \$255,000 | \$214,300 | 96.6% | 95.8% | 95.2% | 7.18% | 10.13% | 1.006 |
| Total | 52,419 | | | | | | | | | |
| | | | | | | | | | | |
| Grand Total | 65,421 | | | | | | | | | |

Condominium Ratios After (2004 Assessments)

| AREA | # | # | MEAN | MEAN | MEDIA | MEA | WTD MEAN | | | |
|----------------------------|----------------|--------------|-------------|-------------|--------------|--------------|-----------------|------------|------------|------------|
| DESCRIPTION | PARCELS | SALES | SP | AV | N | N | RATIO | COD | COV | PRD |
| DESCRIPTION | PARCELS | SALES | SP | AV | RATIO | RATIO | RATIO | COD | COV | PRD |
| PHYSICAL INSPECTION | | | | | | | | | | |
| I-90 Corridor | 3,695 | 979 | \$197,600 | \$191,700 | 97.4% | 97.2% | 97.0% | 4.16% | 5.52% | 1.002 |
| Northeast King County | 3,611 | 829 | \$17,200 | \$170,200 | 96.3% | 96.4% | 96.0% | 4.64% | 6.15% | 1.004 |
| Northwest King County | 2,037 | 453 | \$183,500 | \$177,400 | 97.6% | 97.1% | 96.7% | 6.20% | 9.08% | 1.004 |
| Queen Anne-Magnolia | 1,124 | 225 | \$287,100 | \$276,700 | 96.3% | 96.7% | 96.4% | 6.31% | 7.97% | 1.003 |
| South King County | 2,535 | 544 | \$137,600 | \$133,700 | 97.4% | 97.4% | 97.2% | 5.33% | 7.55% | 1.002 |
| Total | 13,002 | | | | | | | | | |
| ANNUAL UPDATE | | | | | | | | | | |
| Capitol hill | 4,920 | 1,032 | \$251,100 | \$248,200 | 99.2% | 99.3% | 98.8% | 6.64% | 8.42% | 1.005 |
| Downtown Seattle | 3,525 | 729 | \$316,200 | \$312,800 | 99.6% | 99.7% | 98.9% | 7.02% | 8.78% | 1.008 |
| I-90 Corridor | 9,765 | 2,273 | \$219,400 | \$210,700 | 96.0% | 96.1% | 96.0% | 5.79% | 7.98% | 1.001 |
| Northeast King County | 9,938 | 2,404 | \$219,100 | \$211,900 | 97.8% | 97.4% | 96.7% | 5.15% | 7.11% | 1.007 |
| Northwest King County | 5,706 | 1,150 | \$209,500 | \$205,500 | 98.7% | 98.8% | 98.1% | 5.71% | 7.25% | 1.008 |
| Queen Anne-Magnolia | 3,636 | 811 | \$240,000 | \$236,600 | 99.2% | 99.0% | 98.6% | 6.53% | 8.18% | 1.005 |
| South King County | 11,721 | 2,759 | \$148,500 | \$144,000 | 97.1% | 97.3% | 97.0% | 5.27% | 7.11% | 1.003 |
| South Seattle Area | 3,208 | 719 | \$225,000 | \$215,900 | 97.0% | 96.3% | 96.0% | 6.47% | 9.03% | 1.004 |
| Total | 52,419 | | | | | | | | | |
| | | | | | | | | | | |
| Grand Total | 65,421 | | | | | | | | | |

USPAP Compliance

Client and Intended Use of the Appraisal:

*This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **mass appraisal report** as stated in USPAP SR 6-7. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes. The purpose of this report is to explain and document the methods, data and analysis used in revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The revaluation is subject to their periodic review.*

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65) . . . or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Highest and Best Use

WAC 458-12-330 REAL PROPERTY VALUATION—HIGHEST AND BEST USE.

All property, unless otherwise provided by statute, shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Uses which are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in estimating the highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date a valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property rights appraised:

Fee Simple

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Assumptions and Limiting Conditions:

- 1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.*
- 2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.*
- 3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.*
- 4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.*

5. *The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.*
6. *The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.*
7. *The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.*
8. *No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.*
9. *Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.*
10. *The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.*
11. *An attempt to segregate personal property from the real estate in this appraisal has been made.*
12. *The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.*
13. *I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.*
14. *Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.*

Departure Provisions:

Which if any USPAP Standards Rules were departed from or exempted by the Jurisdictional Exception

SR 6-2 (i)

The assessor has no access to title reports and other documents. Because of budget limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. The mass appraisal must be completed in the time limits as indicated in the Revaluation Plan and as budgeted.